

289 - INFORMATION & TECHNOLOGY INTERNAL SERVICE FUND

Operational Summary

Description:

The mission of the Information and Technology (IT) Internal Service Fund is to provide leadership to develop the County's data, network and telecommunications infrastructures, IT Policy, and IT standards. CEO/Information and Technology also provides telecommunication and data services to County Agencies and Departments and manages the Enterprise Data Center. CEO/Information and Technology is funded by charges to customers who use data and telephone services.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	45,830,768
Total Recommended FY 2004-2005 Budget:	54,339,116
Percent of County General Fund:	N/A
Total Employees:	60.00

Strategic Goals:

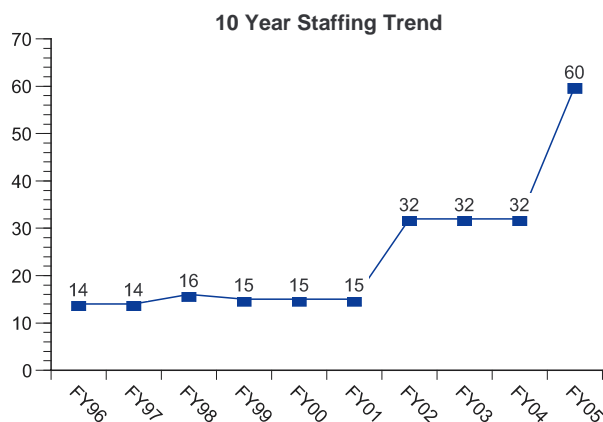
- The goals for CEO/Information and Technology for FY 2004-2005 are to:
 - 1) Continue to review Countywide IT services and implement recommended changes to provide cost savings to County Agencies and Departments and to reduce duplication of effort;
 - 2) Provide oversight and manage the County data and telecommunications ACS outsourcing contract;
 - 3) Implement and achieve customer service focused improvements and measurable results.

FY 2003-2004 Key Project Accomplishments:

- Implemented network security tools to contain virus outbreaks and increase the security of the enterprise network
- Implemented Level 1 Spam Blocker for the enterprise network
- Continued ongoing audit of County's voice and data circuits with a cost savings to date of \$150,000
- Completed move to St. Andrews location and lease of the Enterprise Data Center Space which resulted in \$1,500,000 in revenues
- Conducted IT Assessments of County Departments and Agencies which resulted in cost savings due to reduction of duplication and streamlining processes (for example, there was a savings of approximately \$1,000,000 from eliminating redundancies in service to Children's Support Services)
- Implemented improved telephone management system
- Transitioned mainframe impact print to mainframe laser print

INFORMATION & TECHNOLOGY ISF - The Information and Technology Internal Service Fund is responsible for overseeing and coordinating efforts for the provision of an overall Countywide information technology infrastructure. The department is responsible for the County Telephone System (OCTNET), coordination of other voice services such as voice mail, as well as data services such as the operation of the County Data Center, applications services and network services. The department directs and manages enterprise data services which are provided through an information and technology contract with Affiliated Computer Services and their subcontractor, SBC Communications.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Staffing for Fiscal Year 2004-2005 will increase from 50 to 60 positions. This increase reflects an ongoing effort to centralize enterprise wide functions in Fund 289. The goal of the centralization is to decrease cost and lower redundancy of efforts. The added positions during this fiscal year will provide imaging services to County Agencies and Departments at a lower cost than they were previously provided through an outsourced contract.

Budget Summary

Plan for Support of the County's Strategic Priorities:

CEO/IT is planning for the support of development, enhancement and improvement of County enterprise systems such as the County Accounting and Personnel System, ebusiness systems, County Internet Web sites, Onbase ERMI (online imaging system), the County of Orange Intranet site and the County wide area network. CEO/IT will participate in planning for the replacement of the County Accounting and Personnel System by identifying requirements, preparing the statement of work and RFP, and evaluating vendor bid responses.

CEO/IT is working to improve the customer billing process. CEO/IT is leading the planning for potential replacement of the IBM Mainframe.

CEO/IT is continuing an audit of all data and telephone lines to eliminate redundancies and identify cost savings

Changes Included in the Recommended Base Budget:

Transferred 10 positions from CEO-IT starting FY 04-05 to support online imaging of documents for County agencies and departments to provide better access to information and reduce the time it takes to obtain needed documents.

Added 18 positions in the 1st Quarter to provide information technology support to the Department of Child Support Services to streamline services. Increased revenues for the lease of the Data Center from \$1,500,000 to \$2,000,000.

Requested Budget Augmentations and Related Performance Results:

Unit/Amount	Description	Performance Plan	Ref. Num.
Add Temporary Help Funding (FY 04-05) Amount: \$ 296,000	Add temporary help dollars for increasing requests for document scanning.	Monthly review to compare revenue to cost of imaging program to ensure 100% cost recovery.	289-92

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	50	50	60	10	20.00
Total Revenues	45,486,453	52,515,837	49,797,162	54,339,116	4,541,954	9.12
Total Requirements	41,593,643	54,179,216	47,965,496	54,339,116	6,373,620	13.29
Balance	3,892,810	(1,663,379)	1,831,665	0	(1,831,665)	-100.00

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Information & Technology Internal Service Fund in the Appendix on page 605.

Highlights of Key Trends:

- Consolidation of services and elimination of redundancies by centralizing Countywide enterprise efforts
- Savings identified and implemented through audits such as IT Assessments and audits of data and telephone lines
- Cost savings obtained through lease of Enterprise Data Center, revenue from outside business and shared resources

289 - INFORMATION & TECHNOLOGY ISF

Operation of Internal Service Fund 289 Operational Statement for the Fiscal Year 2004 - 2005

Operating Detail (1)		2002-2003 Actual (2)	2003-2004 Estimate (3)	2004 - 2005 Proposed Budget (4)	2004 - 2005 Final Budget (5)
Operating Income					
6620	Rents And Concessions	1,028,454	1,500,000	2,000,000	2,000,000
7330	Communication Services	9,729	6,832	7,200	7,200
7590	Other Charges For Services	39,689,153	40,961,760	50,352,000	50,352,000
Total Operating Income		40,727,336	42,468,593	52,359,200	52,359,200
Operating Expenses					
Salaries & Benefits					
0100	Salaries And Wages	75,553	0	0	0
0101	Regular Salaries	1,846,101	2,656,297	3,543,895	3,543,895
0102	Extra Help	10,750	35,925	50,000	50,000
0103	Overtime	10,917	1,893	50,000	50,000
0104	Annual Leave Payoffs	0	24,785	0	0
0105	Vacation Payoff	34,030	0	125,000	125,000
0106	Sick Leave Payoff	136,213	0	30,000	30,000
0110	Performance Incentive Pay	15,600	24,577	0	0
0111	Other Pay	574	2,905	1,200	1,200
0200	Retirement	147,320	309,744	492,020	492,020
0202	Early Retirement	3,941	3,941	3,941	3,941
0301	Unemployment Insurance	2,793	4,215	5,267	5,267
0305	Salary Continuance Insurance	4,013	5,943	6,308	6,308
0306	Health Insurance	186,505	296,159	462,840	462,840
0308	Dental Insurance	7,665	10,479	11,856	11,856
0309	Life Insurance	1,501	1,891	2,064	2,064
0310	Accidental Death And Dismemberment Insurance	268	315	336	336
0319	Other Insurance	13,051	18,562	29,328	29,328
0352	Workers Compensation - General	61,944	83,544	100,254	100,254
0401	Medicare	20,560	34,702	46,644	46,644
Total Salaries & Benefits		2,579,299	3,515,877	4,960,953	4,960,953
Services & Supplies					
0700	Communications	63,556	26,336	0	0
0701	Telephone/Telegraph - Interfund Transfer	724,216	192,796	263,500	263,500
0702	Telephone And Telegraph - Other	6,412,373	6,439,335	7,523,910	7,523,910
1000	Household Expense	107,680	100,282	100,000	100,000
1001	Household Expense - Trash	20,120	9,823	0	0
1100	Insurance	26,376	36,525	36,525	36,525
1300	Maintenance - Equipment	733,793	731,045	930,174	930,174

Operation of Internal Service Fund 289

Operational Statement for the Fiscal Year 2004 - 2005 (Continued)

Operating Detail (1)		2002-2003 Actual (2)	2003-2004 Estimate (3)	2004 - 2005 Proposed Budget (4)	2004 - 2005 Final Budget (5)
1400	Maintenance - Buildings And Improvements	221,291	412,150	250,000	250,000
1402	Minor Alterations And Improvements	159,267	81,297	175,000	175,000
1600	Memberships	1,470	5,797	18,315	18,315
1800	Office Expense	1,162,312	1,050,161	744,026	744,026
1801	Duplicating Services (RDMD/Reprographics)	3,709	922	5,000	5,000
1802	Periodicals And Journals	0	0	6,000	6,000
1803	Postage	0	0	1,800	1,800
1805	Purchasing Stores Office Supplies	0	18,188	0	0
1806	Printing Costs - Outside Vendors	27,577	0	140,000	140,000
1809	Minor Office Equipment To Be Controlled	0	2,457	60,000	60,000
1900	Professional And Specialized Services	22,103,814	23,282,212	24,226,917	24,226,917
1901	Data Processing Services	0	0	14,000,000	14,000,000
1908	Temporary Help	106,072	75,860	416,000	416,000
1911	CWCAP Charges	232,335	1,117,608	923,608	923,608
2000	Publications And Legal Notices	70	3,401	5,000	5,000
2100	Rents And Leases - Equipment	3,263,327	4,494,668	4,319,232	4,319,232
2200	Rents And Leases - Buildings And Improvements	131,784	387,098	485,633	485,633
2300	Small Tools And Instruments	215	750	2,500	2,500
2400	Special Departmental Expense	32,962	10,456	70,725	70,725
2405	Optional Benefit Plan	20,408	26,757	32,448	32,448
2600	Transportation And Travel - General	3,448	5,862	0	0
2601	Private Auto Mileage	1,679	1,781	10,515	10,515
2602	Garage Expense	9,388	2,200	0	0
2700	Transportation And Travel - Meetings/Conferences	13,440	15,969	101,345	101,345
2800	Utilities	35,987	316,124	596,712	596,712
2801	Utilities - Purchased Electricity	770,214	275,671	0	0
2802	Utilities - Purchased Gas	482	10	0	0
2803	Utilities - Purchased Water	19,381	16,868	0	0
2890	Intra-Agency Services & Supplies Billing Offsets	0		(14,263,500)	(14,263,500)
Total Services & Supplies		36,408,749	39,140,410	41,181,385	41,181,385
Fixed Assets					
4000	Equipment	0	0	2,005,400	2,005,400
Total Fixed Assets		0	0	2,005,400	2,005,400
Miscellaneous					
5300	Depreciation	1,691,146	4,001,429	2,991,542	2,991,542
Total Miscellaneous		1,691,146	4,001,429	2,991,542	2,991,542
Total Operating Expenses		40,679,193	46,657,716	51,139,280	51,139,280
Net Operating Income (Loss)		48,142	(4,189,123)	1,219,920	1,219,920

Operation of Internal Service Fund 289 Operational Statement for the Fiscal Year 2004 - 2005 (Continued)

Operating Detail (1)		2002-2003 Actual (2)	2003-2004 Estimate (3)	2004 - 2005 Proposed Budget (4)	2004 - 2005 Final Budget (5)
Non-Operating Revenue					
6610	Interest	151,578	96,449	99,116	99,116
6840	State - Health Administration	15,635	13,318	13,319	13,319
6970	State - Other	18,582	23,816	23,816	23,816
7662	Other Sales - Non-Taxable - Resale	1,068	1,853	0	0
7670	Miscellaneous Revenue	602,773	19,239	12,000	12,000
Total Non-Operating Revenue		789,636	154,675	148,251	148,251
Non-Operating Expenses					
1912	Investment Administrative Fees	10,567	10,353	12,500	12,500
3251	Lease Purchase Principal Payment	1,310,000	(1,310,000)	1,415,000	1,415,000
3351	Lease Purchase Interest Payment	387,000	761,781	560,562	560,562
5400	Loss Or Gain On Disposition Of Assets	29,810	0	0	0
Total Non-Operating Expenses		1,737,377	(537,866)	1,988,062	1,988,062
Total Non-Operating Income (Loss)		(947,741)	692,541	(1,839,811)	(1,839,811)
Income (Loss) Before Contributions & Transfers*		(899,598)	(3,496,582)	(619,891)	(619,891)
Fixed Asset Expenditures					
4000	Equipment				
	Replacement **	548,910	1,396,692	2,005,400	2,005,400
4200	Buildings And Improvements				
	P605 Cap Proj - Data Center Expansion	193,269	5,103	0	0
Total Fixed Asset Expenditures		742,179	1,401,795	2,005,400	2,005,400
Statement Of Changes In Net Assets - Unrestricted					
Income (Loss) Before Contributions & Transfers		(899,598)	(3,496,582)	(619,891)	(619,891)
7805	Capital Contributions	155,849	0	0	0
Changes To Reserves - Encumbrance - (Inc.)/Dec.		(141,851)	2,564,599	0	0
Changes To Reserves - Net Assets - Reserved (Inc.)/Dec.		2,689,698	(1,845,647)	(1,211,774)	(1,211,774)
Changes To Reserves - Net Assets, Invested In Capital Assets, Net Of Related Debt - (Inc.)/Dec.		822,927	716,485	0	0
Increase (Decrease) In Net Assets - Unrestricted		2,627,025	(2,061,145)	(1,831,665)	(1,831,665)
Net Assets - Unrestricted - Beginning Of Year		1,265,785	3,892,810	1,831,665	1,831,665
Net Assets - Unrestricted - End Of Year		3,892,810	1,831,665	0	0
				* Note - Loss Before Contributions & Transfers Is Offset By Net Assets - Unrestricted Carried Forward From Previous Fiscal Year.	
				** Note - Replacement Equipment Is Financed By Funds Generated Through Depreciation Expense.	